

Annexure II

**REQUEST FOR PROPOSAL (RFP)
FOR
EMPANELMENT OF VALUATOR FOR
MACHHAPUCHCHHRE BANK LIMITED (MBL)
JULY, 2020**

Machhapuchchre Bank Limited
Putalisadak , Kathmandu
Tel No:977-01-4443681
Email: cad@mb.com.np
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SECTION I: REQUEST FOR PROPOSAL FOR EMPANELMENT OF BANK'S VALUATOR.

1. Interested eligible Engineering Consultancy Firms, based in Nepal, may in response to this "Request for Proposal (RFP)" against payment of NPR Rs. 5,000/- (non- refundable) in the form of Cash/Draft and submit their proposal under two categories to the following address

***Central Credit Administration Department
Putalisadak, Kathmandu, Nepal
Phone No. 4443681
Contact Person: Ganesh Thapa***

Category A:

Valuation of Land/ Building and such other properties.

Category B:

Valuation of Plant and Machinery/ Vehicles and such other properties.

SECTION II: ELIGIBILITY FOR EMPANELMENT

1. Firm/Company must be registered in appropriate government organization.
2. Firm/Company must have at least one promoter/owner/partner holding a minimum of bachelor's degree in Civil Engineering or Mechanical Engineering (as applicable) from recognized university with work experience of minimum three years.
3. Firm/Company should not have violated any rules and regulations as per prevailing laws of Nepal.
4. Firm/Company must have at least 5 years working experience as listed Valuers in Commercial banks to be listed as valuator for Kathmandu Valley, for branches (besides Kathmandu) in Municipality, at least 2 commercial bank with 3 years of valuation experience is required. Similarly, for branches in Rural Municipality, at least 1 Financial Institution with 2 years of valuation experience is required
5. Firm/Company must have adequate skilled manpower and sound infrastructure.
6. Firm/Company must not have been Black listed by Karja Suchana Kendra Ltd. (KSKL).
7. Firm/Company must have satisfactory performance in other financial institutions where they are currently associated & should provide documentary evidence.

SECTION III: DOCUMENTS REQUIREMENT FOR EMPANELMENT OF VALUATOR

- a. Application for empanelment of Valuator.
- b. Company profile
- c. Up to date/Renewed copy of Registration & PAN/VAT
- d. Latest tax clearance certificate
- e. Partnership Deed in case of Partnership firm and Article/Memorandum of Association in case of Private Limited Company.
- f. Resolution of the Board of Directors of the Company / Partners of the Firm for enlistment with the Bank with authorization to sign papers / documents, indemnity, agreement, report/certificate etc. on behalf of the Company/Firm. The objective of firm/company must to do valuation related works.
- g. Latest record of shareholders certified by company registrar office, in case of private limited company
- h. Quality and Strength of the Promoter/Staff of the firm.
- i. Bio-data of promoter and staff.
- j. Copy of membership Certificate of Nepal Valuers' Association
- k. Copy of Certificate Nepal Engineering Council, Academic certificates.
- l. Copy of citizenship of all promoters and regular key staffs.
- m. Copy of current involvement in other organizations/Banks (Agreement) or Reference letter.

SECTION IV : FORMAT OF THE CONSULTANCY SERVICE AGREEMENT

**Consultancy Service Agreement
Between
Machhapuchchhre Bank Ltd.
And**

.....

This Consultancy Service Agreement (the "Agreement") is made and entered into this by and between **Machhapuchchhre Bank Limited** , a public limited company incorporated and operating under the laws of Nepal, with its registered address at Ward No 2, Lazimpat, Kathmandu (hereinafter referred as the "Bank") and having Registration No. , Registered Date & PAN No. registered under the laws of Nepal, with its registered address at (which shall include its lawful successors, hereinafter called the "Consultant") (hereinafter referred to individually as a "Party" and collectively as the "Parties").

WHEREAS, the Bank is in the business of Banking;

WHEREAS, the Consultant has expertise in the area of Valuation;

WHEREAS, the Bank desires to engage the Consultant to provide certain services in the area of Consultant's expertise and the Consultant is willing to provide such services to the Bank;

NOW, THEREFORE, the parties hereby agree as follows:

Article I - Services:

Upon the issuance of Letter of Engagement (LoE) by the Bank, the Consultant agrees to provide valuation/ cost monitoring/ reconfirmation/ revaluation services in accordance with the conditions of this Agreement. All required supporting documents of the assets for valuation purpose as mentioned in LoE shall be provided to the Consultant through the Bank.

1. The scope of the valuation of fixed asset shall cover the following:
 - a. Verification of location of the asset and its boundaries with respect to Cadastral Map in the presence of the owner or his/her representative,
 - b. Checking dimension of the building as per approved drawings and completion certificate of the building,
 - c. Area verification of land with respect to Land Ownership Document,
 - d. Required inspection and investigation of all assets, and
 - e. Providing Valuation opinion of the asset appropriate for secured lending requirement.

2. Home Loan cost monitoring scope shall cover following services:
 - a. Checking reasonableness of the cost estimates submitted by the Borrower,
 - b. Preparation of Cash Flow Scheduled to monitor the construction activities,
 - c. Site Visits for verification of construction work progress,
 - d. Submission of Progress Report to the Bank, and
 - e. Preparation of completion report.

3. Scope of Reconfirmation and Revaluation of the same asset carried earlier by the Consultant shall cover following services:
 - a. Reconfirmation report of the value of the asset, and
 - b. Revaluation report of the asset.

Article II – Terms of Engagement

1. The asset offered as collateral shall fulfill the Collateral Acceptance Criteria for secured lending as in Annexure-I of this Agreement. In the event of non-compliance of any criteria, valuation assignment may be undertaken upon written consent of the Bank.
2. Valuation Report will cover/consists of the following:
 - a. Identification and status of the Consultant,
 - b. Identification of the client(s) & Identification of other intended users,
 - c. Purpose of the valuation,
 - d. Identification of the asset being valued,
 - e. Basis/bases of value used,
 - f. Valuation date,
 - g. Extent of inspection and investigation,
 - h. Nature and source of the information relied upon,
 - i. Assumptions and special assumptions,
 - j. Restrictions on use, distribution or publication of the report,
 - k. Valuation approach and reasoning,
 - l. Amount of the valuation or valuations, and
 - m. Relevant attachments.

Article III – Special Conditions:

1. The valuation report will be based on the followings;
 - a. Site/Physical Inspection of assets
 - b. Size & Shape of properties
 - c. Measurement criteria
 - d. Length, Breadth of assets
 - e. Road Access etc.
2. The opinions of values are based upon facts and assumptions identified in the report. The Consultant takes no responsibility for changes in market conditions.
3. The stated opinion of value is effective as of the date of value information that is made available to the Consultant at the time the valuation analysis is conducted. Values may change substantially with time.
4. The report is an unbiased Valuation Opinion.
5. The Bank reserves the rights to check the site and the asset evaluated by a Consultant with or without informing him/her, or alternatively Bank may seek a second opinion on the valuation report submitted by the Consultant from another Consultant selected by the Bank.

Article IV – Responsibility and Obligations:

1. The Consultant agrees that while conducting the valuation works, it would observe highest professional standards.
2. The consultant shall appoint qualified engineer enrolled with Engineering Council and a member of NVA who has in-depth knowledge of property valuation and prevailing laws and procedure of land management.
3. The Consultant shall neither perform any valuation job nor *advice/influence* any other Consultant for the valuation of the asset in case the Consultant or the Lead Valuer has direct or indirect interests on the assets or the owner of the property or borrower of the Bank or the asset due to close relationship or for any other reason. In such a situation the Consultant shall inform/disclose the nature of interest to the Bank. However, the valuation assignment may be proceeded upon the consent of the Bank.
4. The Consultant agrees that all valuation jobs completed on behalf of the Bank shall be true and correct, free of any bad intentions and shall be performed independently without any influences of client/borrower of the Bank or any other related/unrelated party. The report submitted by the Consultant shall be based on professional, fair, reasonable and valid judgments.
5. The Consultant shall be responsible for the information furnished/ declared in the valuation report and shall also be liable to clarify in case of any dispute/ambiguity arising in relation to location and/or value of the asset and /or other information furnished in the report.
6. The consultant has an obligation of checking legal status of property as mentioned in Article I – Services before processing for valuation.
7. During the validity of this Agreement, the Consultant shall not change its legal status/ownership without the consent of the Bank and shall also renew its license/firm registration timely as applicable.
8. The Consultant shall maintain turnaround time of jobs within 7 working days from the day all required documents/information are received
9. The Consultant shall submit two copies of the valuation report (including the copy to be provided to the client of the Bank if required) directly to the Bank.
10. The consultant shall indemnify the bank for any losses or damage due to non-realization of value at the time of disposal of assets as per prevailing law of the country and Nepal Rastra Bank Guideline, and the credit policies of the Bank.
11. The mentioned clause no 10 shall be applicable even in case of non-compliance of any other condition laid down in this agreement.
12. The consultant shall not sub-contract the assignment to any other individual or firm.
13. The Consultant is deemed to be aware about the prevailing laws of Nepal such as Banking Offence and Punishment Act, 2064, Bank and Financial Institution Act, 2073, etc and conditions of Blacklisting circular in respect of collateral Valuers Unified Directive “Provision for Credit Information & Black Listing - Special Provision related to Valuer” issued by Nepal Rastra Bank from time to time and confirms that he/she shall consider the provision thereof while valuating the property for the Bank and be liable for the conditions stated therein.

Article V – Confidentiality:

1. The Consultant and its employees involved in the valuation services shall maintain strict confidentiality in respect of any information relating to the Bank or its clients, which they may come across in the course of providing their services under this Agreement or otherwise and

that such confidentiality shall be maintained even after the expiry or termination of this Agreement.

Article VI - Valuation Fee and Payment:

1. The valuation fee for different valuation jobs shall not be more than the amount mentioned in the **Annexure II** of this Agreement. The consultant shall not take any additional charges from the customers of the Bank.
2. The Bank shall disburse the payment to the Consultant after deducting applicable Tax Deduction at Source (TDS) within two weeks of the submission of the report. The fee shall be payable even if the loan is not disbursed.

Article VII - Liability Cap and Performance Indemnity Bond:

1. The Consultant shall furnish an acceptable Professional Indemnity Bond (PIB) in the form of fixed deposit certificate or bank guarantee equivalent to NPR. 300,000.00 (Rupees Three Lakh Only) to the Bank. These securities shall be renewed every year-at least 15 days prior to expiry in case of guarantee and on maturity in case of FD. Such security shall be continued to be provided to the Bank by the consultant during the currency of the agreement and even where the agreement is not renewed, the security shall continue to be provided for a period of up to six months from the termination and /or expiry of the agreement. Failing timely renewal of the security as specified above, the Bank shall have the right to claim on the guarantee or retain the proceeds of the FD pledged up to the aforementioned period.
2. The Consultant shall be liable for any losses or damages which the Bank may incur/suffer in respect of any transaction undertaken by the Bank based on the representation and information provided by the Consultant.
3. In the event of breach of any of the terms and conditions stipulated in the agreement, or if the Bank finds the performance of the consultant unsatisfactory for whatsoever reason, the Bank reserves the right to de-list the consultant from its panel of consultants at any point of time.

Article VIII - Dispute Resolution:

1. In case any dispute arising out between the parties to this agreement, it shall be settled amicably between both parties. In case of failing to settle the dispute amicably between the parties, such dispute may be settled through the Nepal Bankers' Association and Nepal Valuer's Association. The jurisdiction for the Dispute Settlement shall be the court of Nepal.

Article IX - Governing Law:

1. This agreement shall be governed by and construed in accordance with the prevailing Laws of Nepal.

Article X - Renewal and Termination:

1. **This Agreement shall be valid till the end of two fiscal year 2077/78 & 2078/79.** The Agreement may be renewed for further tenure on mutual consent; however, in the event the Bank decides not to renew the Agreement, the Bank has no obligation to explain the reason thereof.

2. Either party may terminate this Agreement at any time by giving 30 days prior notice to the other party in the convenience subject to continuation of the Consultant's obligations under this Agreement.
3. The terms and conditions mentioned in the previous Agreement signed by the Consultant, if still affective or live, shall be replaced, *ipso facto* considered as per provisions of this Agreement.
4. Article IV, Clause no. 10 shall remain valid even after termination of this agreement and in perpetuity.

The parties hereto have signed and executed this Agreement in presence of the below mentioned witnesses on the day and year first above written.

On behalf of the Bank
 Name:
 Designation:

On behalf of the Consultant
 Name:
 Designation:

Witness:

1. Signature_____

Name:
 Address:

2. Signature_____

Name:
 Address:

Annexure: I

Collateral Acceptance Criteria

Assets having following legal status and technical conditions are generally not acceptable as collateral for secured lending:

1. Legal Status (to be checked and ascertained by the Bank) :

- Asset without legal clarity of ownership,
- Asset with tenancy right (MOHI)
- Asset situated on plot whose Plot number, Boundary, Immediate neighbors and Area are not clear.
- Asset owned by minor.
- Asset which is being notified or acquisition or on the process of acquisition by the Government (for this concerned Bank should be aware and stop the valuation process).
- Asset on dispute or in litigation (for this it may be necessary to take assistance of the neighbors).
- Generally no valuation will be carried out for the land registered within 6 months and 35 days.

2. Technical Conditions (to be checked and ascertained by the Consultant) :

- Asset unsuitable for residential or commercial purposes,
- Asset being used for the welfare of the common people like Temple and Park,
- Asset without free, undisputed and proper access, accessible by public motor able road, at least 8 feet wide. The access road shall be visible at the site as well as on the topographical survey map. If it is not visible on the survey map, the Valuator shall obtain a written confirmation from the concerned government authority and submit the same to the Bank. However for certain areas 4 feet minimum access road to the property can be eligible for valuation, if requested by the bank.
- Asset in depleted or damaged conditions,
- Temporary and unfinished building constructed of mud mortar, thatched, bamboo or similar materials.
- The building is constructed in the land owned by some other person, without the manjurnama of such land owner and his/ her legal heirs.
- The leasehold property without legal form of possession specifying the right of party (lessee) to mortgage assets created on the leasehold land and exclusive possession of property for specified period.
- The consent of the lessor is not obtained for the fixed assets created under the land to be mortgaged to the bank.

- There is any complication as per knowledge and professional ethics of the valuator.
- Asset situated near big rivers shall be checked and shall be valued only if it is safe to take collateral by the Bank.
- Asset within the construction barred zone parameter notified by Road Department or Local Government.
- Asset within the World Heritage, Conservation and Protected Wildlife areas,
- Asset uncertified by Metropolitan city, Sub-Metropolitan city, Municipality and Rural Municipality which falls within the area barred for construction of buildings and infrastructures like Green Belt, Right of Way,
- For asset situated besides the river, stream separating International, National, Zone, District, Town & VDC boundary, the valuation shall be carried out within the parameter of government laws, regulations and directives after the site inspection which do not harm the interest of the Bank.
- Construction and development that is unregistered or unapproved or has not followed the rules and regulations set by Local Municipality and / or Town Development Authority and / or other authority as per legal requirement.
- Asset within the ROW and set back of the road including provisional road.
- If the property is situated within Kathmandu Valley, it should be at least 25 meters away from the river, in case of Pokhara valley; it should be 50 meters away from the river and for the rest of the places it should be at least 200 meter away from the river. However if the property has been safeguarded by strong retaining wall and the river flow is not likely to hamper the property, the same may be accepted even if it is within the said distance provided the compliance with distance prescribed by the Ministry of Physical Planning/Nagar Bikash Pradhikaran Act or other prevailing act/guidelines and the same is certified by the approved valuator.
- In case of land more than 1 ropani i.e.508.7370 sq.mt, the valuator can deduct up to 15% of land for the development of property (wherever applicable)
- The Land and building portion which lies outside the legal boundary (area as per Cadastral Map) of the land.
- Valuator needs to provide valuation and other detail such as road access, face with road, average length, average width, etc. of each plots under single ownership i.e., different & separate valuation must be presented for different & separate plots.
- Valuator needs to convert the area into sq.mt. compulsorily.
- Date of enquiry in the valuation report must be included.
- Enquiry with at least 3 local residents at the property site must be done & this must be self-certified in the valuation report
- The property should be accessible by motorable road supported by documentary evidence. The motorable road should be evident at the sites as well as on topographical

survey map. If the road (as physically present in the site) is marked as separate plot, then 'Ghar Bato Kayam Sifaris' or 'Bato Sifaris' or 'Shresta Utaar' from concerned government office/or as appropriate must be obtained by the valuer from the client and it should be attached with the valuation report.

- GPS (Google) co-ordinate of the property valued must be attached with the report for proper & future verification.
- Asset within 10 meter of the of 33 kV or more electric High Tensions Line crossing from one side,
- Asset within 3 meter of the center of less than 33 kV or more than 11kV electric High Tension Line crossing from one side,
- Asset within 2 meter of consumer distribution and less and 11kV
- Asset with High Voltage line crossing or on which Electric tower is situated,
- If High Voltage line crosses or Electric towers are situated on large plot of land, the remaining area of the asset may be accepted as collateral after deducting the area occupied by safe specified distance.
- The valuator shall ensure that all construction and development of building/plot has strictly followed the rules and regulations set by Local Municipality and/or Town Development Authority and/or other author as per legal requirement. If the rules are not followed, the valuation of completely constructed building shall be excluded.

3. Valuation Criteria for Mechanical Items and Used Vehicles

- In case of valuation of Plant, Machinery, the value should be done for realizable value considering (depending upon Brand, Make, Technology of Machine and Market Demand) while disposing off the same rather than the book value, which is original cost of purchase (established on the basis of Invoice value) minus annual depreciation till the date of valuation. However, for comparison purpose, book value of the plant and machinery should be evaluated and the lower of these (Book Value and actual realizable value) two should be taken as the fair value of the evaluated plant and machinery.
- In case of valuation of automobile equipment, valuation is to be done for realizable value considering the factor "useful life of vehicle" and market price rather than depreciated book value of the automobile. The lowest value among the market value and depreciated value is to be considered.
- The valuator shall take the following things into consideration while carrying out valuation of Plant, Equipment and other Machinery.
 - a. New or Old Machinery or equipment (specify the period of being used and remaining life)
 - b. Year of installation and total life
 - c. Condition of operation
 - d. Repair and Maintenance
 - e. Scrap value and Residue Value
 - f. Purchase Price
 - g. Other expenses (Customer duty, freight and transit insurance)

4. Reporting Requirement

The Valuator shall include the following documents, where applicable, in the valuation report:

➤ **General**

- a) Copy of Bank's request for valuation.
- b) Copy of firm/company registration of the borrower.
- c) Copy of tax/PAN certificate of the borrower
- d) Copy of citizenship certificate of the land owner/s.
- e) Copy of citizenship certificate of the owner/s of the borrowing firm / company or borrower.

➤ **For land**

- a) Copy of title deed certificate of land (e.g., Lal Purja)
- b) Copy of transfer deed (*rajinama kagaj*)
- c) Latest original survey map (blue print) of the area with clear print out of the respective plot(s), duly stamped by the Government Land Survey Office mentioning Machhapuchchhre Bank Ltd. purposes.
- d) Latest Malpot (land revenue) payment receipt.
- e) Location and site plan of the property.
- f) Certificate from the property owner as well as the borrower stating that property to be mortgaged does not have any legal complications.
- g) Latest Certificate from the concerned Gaunpalika or Ward Office (in case of Municipality) certifying the 4 directions / boundaries of the property.
- h) Photograph of the property taken from important angles, at least one photograph showing the access road as well.
- i) Copy of the specified rate of Land Revenue Office pertaining to the area of the property.
- j) Any other document/s that may be required to clarify/justify any of the comments/points, etc. made in the valuation report.
- k) GPS Co-ordinate of the Site

➤ **Additional for building and other constructions**

- a) Approved floor plan by municipality or other authority, where applicable
- b) Copy of Construction completion Certificate unless building is under construction but within the validity of construction period.
- c) Photographs (**from inside & outside**)
- d) Any other document/s, where required e.g. certificate of completion.

➤ **Additional for machinery (only installed machinery shall be accepted for mortgage)**

- a) Copy of invoices and customs clearance (wherever applicable)
- b) Photographs
- c) Any other document/s, where required

(Machinery alone without land/building shall not be accepted for valuation unless otherwise specified by the bank.)

➤ **Additional for Vehicles**

- a) Copy of Blue book of the used vehicle
- b) Any other documents, as required

5. The Valuator shall clearly classify the type of Real Estate. The bank will recognize following classification:

- **Residential:** Land and/or building used for residential purpose.
- **Commercial:** Land and/or building used for commercial purpose, i.e., godown, show-room, space rented out, hotel, supermarket, office complex, etc.

- **Industrial or Institutional:** Land and/or building predominantly used in industrial or any other specific institutional purpose.
- **Agricultural:** Non-urban land (outside municipality area) primarily used for agricultural purpose.
- The Valuer Company/Firm must be a member of Nepal Valuers Association (NVA) and NVA Certificate need to be submitted to the bank during enlistment/before renewal.
- Credit Information from Karja Suchana Kendra Ltd. (KSKL) shall be obtained prior to the renewal of the agreement and the renewal of the agreement shall be affected only after receiving the clean CIC Report. Expenses incurred while obtaining CIC Reports from KSKL should be borne by the valuator.

Annexure-II

1. Valuation, Fee and Payment:

a. FMV (Fair Market Value) and DV (Distress Value) should be derived on the following norms:

- i. FMV: weighted average of 70% of Market Value and 30% of Government Value (urban area *) for land plus value of other fixed assets.
- ii. FMV: weighted average of 60% of Market Value and 40% of Government Value (rural area **) for land plus value of other fixed assets.
- iii. If Government Rate is higher than the Market Rate, Market Rate will be considered as FMV of the land.

However, FMV should be derived as given below for Consumer & SME loan Product

i. For Consumer Banking Loan Products:

- i. FMV: weighted average of 90% of Market Value and 10% of Government Value (Urban area) for land plus value of other fixed assets (building and other constructions)
- ii. FMV: weighted average of 80% of Market Value and 20% of Government Value (Rural area) for land plus value of other fixed assets (building and other constructions)

For SME Banking Loan Products:

- i. FMV: weighted average of 80% of Market Value and 20% of Government Value (Urban area) for land plus value of other fixed assets (building and other constructions)
- ii. FMV: weighted average of 70% of Market Value and 30% of Government Value (Rural area) for land plus value of other fixed assets (building and other constructions)
- If Government Rate is higher than the Market Rate, Market Rate will be considered as FMV of the land.
- DV: weighted average of 80% of Fair Market Value.

Bank may, in its discretion, deduct additional margin for arriving at the distress value.

(However, valuator can suggest different FMV on professional judgment with proper justification.)

b. The Valuator shall also comment on the following points:

- Positive and negative features
- Future prospects
- Environmental concerns
- Market Growth/Decline in real estate property, etc.

*Metropolitan; Sub-Metropolitan; Municipality

** Rural-Municipality; In case of Municipality of Hilly & Mountainous region, other than main town should be considered as rural area.

c. Valuation Fee:

- i. The fee or charges for new Valuation of property(s) shall be as follows:

Distress Value (DV)	Fee (NPR)
Up to NPR 1.5 million	5,000
Above NPR 1.5 million and up to NPR 3.0 million	7,500
Above NPR 3.0 million and up to NPR 5.0 million	10,000
Above NPR 5.0 million and up to NPR 7.5 million	12,500
Above NPR 7.5 million and up to NPR 10 million	15,000
Above NPR 10 million and upto NPR 50 million	25,000
Above NPR 50 million and upto NPR 100 million	30,000
Above NPR 100 million	35,000

- ii. In case of valuation of Privilege/Staff loan scheme of the Bank, the valuation fee shall be limited to Rs. 5,000 per valuation report.

However,

- (i) Charge per valuation job / per report shall be Minimum of NPR 5,000/- and in maximum of NPR 35,000/-.However, various reports of a single client in view to increase the valuation fee shall not be acceptable.
- (ii) Unless expressly stated otherwise by the Bank, the fee shall be directly collected by the Valuator from the property owner/ borrower/ mortgagor for rendering the valuation work / service and in no event for whatsoever reason shall the Bank be held liable for the same. The valuator may take an advance up to Rs. 2,500/- for the valuation of the proposed property.
- (iii) The valuator agrees to re-value/ re-assess/ re-confirm the value of the property initially done by other valuator as advised and as and when required by the Bank. In such a case, the revaluation fee / charge shall not exceed 50% of the valuation fee initially charged or Rs. 5,000 whichever is higher; which shall be payable by the property owner/ borrower. However, in the case of construction of Home / Housing project under bank's Loan, the valuator has to submit progress report when requested by Bank from time to time; Progress Report charges for an individual home loan will be Rs. 1,500/- per progress report. The Bank may provide, if necessary, basic information (excluding the value of the property) of the past valuation report in case of revaluation
- (iv) The valuator's out of pocket expenses incurred in the course of valuation, if any shall be recovered from the property owner / borrower/ mortgagor. However, such expense shall be recovered on actual basic and should be reasonable. The cost should be negotiated in advance with the property owner/ borrower/ mortgagor.
- (v) Any tax to be paid on the fees received by the Valuator shall be the liability of the Valuator.
- (vi) Charges for big/complicated project will be negotiated with the borrowers beforehand by the valuator.
- (vii) In case of Consortium financing, valuation fees and charges shall be subject to the Consortium decision.

(Note: Valuator should get prior written consent of bank to valuate such property for above mentioned remarks and copy shall be kept in report).

Annexure III:

The valuator needs to include a separate sheet providing some specific information in the following format for providing snapshot of information. This shall be applicable only for Land & Building and should be maximum of two pages.

SN	Description	Valuator's Response
1	Name of the Client	
2	Address of the Client	
3	FMV of the Property	
4	DV of the Property	
5	Nearest Land Mark	
6	Land title deed	Rajinama/Bakasptra/Chodpatra/Ansabanda
7	Original Blue print of land and/or trace map	Obatined/Not Obtained
8	Type of Road	Blacktopped/Gravel/Earthen
9	Width of Road
10	Motorable Road	Yes/No
11	Road Expansion Activity
12	Uses of Land	Residential/Commercial/Agriculture/Industrial
13	Shape of Land	Rectangular/Square/Other
14	Frontage of Land
15	Plot number
16	Address of Land
17	Type of Land (Simsar or not)	
18	Area as per LalPurja (in sq.mt)	
19	Area as per Actual Measurement (in sq. mt)	
20	Area as per Cadastral Maps (in sq.mt)	
21	Area Considered for Valuation (in sq.mt)	
22	Area deducted for Valuation	
23	High Tension Line	Passing/Not Passing
24	Type of Building (as per Nepal National Building Code NBC 206:2015)	Residential/Assembly/Educational/Hospital Clinics/ Commercial & Office /Industries/ Storage
25	No. of Storey	
26	Built up Area(of each floor) or Not Applicable
27	Year of Completion	
28	Naksa Pass	Obtained/Not Obtained dated.....
29	Construction Completion Certificate	Obtained/Not Obtained dated.....
30	Building constructed as per approved drawings	Yes/No
31	Original Four Boundary Certificate	Obtained/Not Obtained dated.....
32	Municipal Four Boundary Certificate	Obtained/Not Obtained dated.....
33	Anticipated life of Building	
34	Pillar of Building	12*12/9*12/Other
35	Earthquake Resistance	Yes/No
36	Type of Construction	Frame Structure/Load Bearing/Other

37	Type of Ownership	Single/Joint
38	Date of Registration	
39	Land Registration done by way of	Rajinama/Bakasptra/Ansabanda etc. as applicable
40	Legal litigation Period	Elapsed/Not Elapsed dated.....
41	ROW has been deducted as per govt. rule	Yes/No
42	Collateral within any protected heritage area	Yes/No
43	Rivers/streams/lakes near to collateral	If yes, distance from river/lakes to be mentioned, any setback deducted for same to be mentioned
44	Properties within 200 meters distance from International Border	Yes/No
45	Features like sewage dumping/water logging/hazardous factory/ army barracks/ cremation area/fue1 or chemical storage depot affecting collateral	



SECTION VI: EVALUATION OF “ PROPOSAL”

1 Evaluation of “Proposals” shall be based solely on the content of the proposal and submitted documents, applying the evaluation criteria and point system as detailed below.

	Points
(i) Qualification of promoter/s	20
(ii) Qualification and competence of the Key Staff	20
(iii) Adequacy of resources and Manpower	20
(iv) Work experience	<u>40</u>
Total Points	100

SECTION VII : SELECTION OF FIRM/ ENGINEERING CONSULTANCY

1. Empanelment of Bank’s valuator shall be based on the scores achieved on evaluation of submitted proposal as above.

2. The Bank reserves all right to accept and reject a proposal with or without assigning any reason whatsoever.

3. The selected firm/party will be notified by the bank and shall sign the Agreement as specified in Section IV of RFP.

SECTION VIII: PROPOSAL FORMS

TABLE OF STANDARD PROPOSAL FORMS

1. Schedule	A(i): Application Letter
2. Schedule	A(ii): Application Form
3. Schedule	B(i): Bank & Financial Institutions currently involved with
4. Schedule	B(ii): Bank & Financial Institutions involved in the past
5. Schedule	C: Quality and Strength of the Staff of the firm.
6. Schedule	D: Declaration of the firm.

Schedule A(i): Application Letter

Letterhead of the firm
[_____ Date]

To: Central Credit Administration Department
Machhapuchhre Bank Ltd.
Putalisadak, Kathmandu

Having examined the Request for Proposal (RFP) for empanelment of Valuator, we wish to provide consulting service in accordance with the Terms & Conditions stipulated therein and hence have applied for empanelment along with the documents for category as mentioned below.

Category A: Valuation of Land /Building & such other properties
Category B: Valuation of Plant & Machineries/Vehicles & such other properties
(Please tick relevant Category also)

If our proposal is accepted, we commit to provide consulting service in accordance with the terms and conditions stipulated in "Request for Proposal (RFP)' for empanelment of Valuator.

We hereby confirm that this proposal complies with all the requirements of "Request for Proposal (RFP) for empanelment of Valuator."

Authorized Signature_____

Name and Title of Signatory_____

Stamp (as applicable)

Schedule A(ii): Application Form

.....

.....
Machhapuchchhre Bank Ltd.
Putalisadak, Kathmandu

Sub: Application for Empanelment

Dear Sir/Madam,

In response to the published RFP, I/We apply for empanelment as a Valuator of your bank .In this connection we furnish required particulars as follows:

1. Name of Valuator:

2A. Legal Status (Please Tick):

- Proprietorship concern
- Partnership Firm
- Private limited Company
- Public Limited Company

2B. Applied Category

- A: Valuation of Land & Building
- B: Valuation of Plant and Machinery/Vehicle

3. Date of Establishment of the Business :

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

4. Particulars of the Proprietor/Partners/Director: (additional sheet may be used, if required)

S. No	1	2	3	4	5
Name					
Age					
Father's Name					
Spouse's name					
Current Address					
Permanent Address					
Educational Qualification					
Position/Status					
Experience					
Contact no					

5. Business Address:

a. Location:

c.Telephone No :

d.Mobile :

e.Email :

f.Website :

6. Location of Branch Office (if any) :

7. Total No. of Engineers & staff: Annex C
(Separate List and Bio-data to be enclosed)

8. Working Experience related to the Bank/Financial Institution: Annex 8(i) 9(ii)
(Certificate to be enclosed)

9. Up-to-date Registration Certificate: (Copy to be enclosed)

Date of Issue:

Validity:

10. Bank A/c No: Branch Bank.....

11. Document Enclosed: Please tick the document submitted.

- a) Company profile.
- b) Up to date/Renewed copy of Registration & PAN/VAT.
- c) Tax clearance certificate for FY 073/74.
- d) Partnership Deed in case of Partnership firm and Article/Memorandum of Association in case of Private Limited Company.
- e) Resolution of the Board of Directors of the Company / Partners of the Firm for enlistment with the Bank With authorization to sign papers / documents, indemnity, agreement, report/certificate etc. on behalf of the Company/Firm.
- f) Latest record of shareholders certified by company registrar office, in case of private limited company.
- g) Quality and Strength of the Promoter/Staff of the firm.
- h) Bio-data of promoter and staff.
- i) Copy of Certificate Nepal Engineering Council, Academic certificates.
- j) Copy of citizenship of all promoters and staff.
- k) Copy of current involvement in other organizations/Banks (Agreement) or Reference letter

I/We do hereby undertake to give you letter of indemnity for any pecuniary loss incurred by the Bank arising out of our negligence in performance or making overvaluation/undervaluation of any securities, fake title of the properties, non-possession of the mortgagor on the properties or any sort of business or concealment of facts or manipulation or any unprofessional activity or any misrepresentation in the Valuation Report submitted by us.

I/We solemnly declare that all the information/particulars furnished above are true correct to the best of my/our knowledge.

Date:

Authorized Signature (s)

Schedule B(i) : Bank & Financial Institutions currently involved with

S.N	Name of Banks & Financial Institutions	Involvement Year		Role	Location (if any)
		From	To		
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note:

1. Insert additional rows as required.

Schedule B(ii) : Bank & Financial Institutions involved in the past.

S.N	Name of Banks & Financial Institutions	Involvement Year		Role	Location assigned (if any)
		From	To		
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note:

1. Insert additional rows as required.

Schedule C: Quality and Strength of the Staff of the firm.

S.N	Name	Designation	Qualification	Years of Experience with the Firm/Entity	Total Experience	Key Responsibilities & Assignment
1.		Partner/ Proprietor/Owner				
2.		Partner/ Proprietor/Owner				
3.		Partner/ Proprietor/Owner				
4.		-----,Staff				
5.		-----,Staff				
6.		-----,Staff				

Note:

1. It is mandatory to fill the details of Partner/ Proprietor or Staff in the prescribed format only
2. The CVs for each of the partner are to be attached mandatorily. The CVs should bear original signature of the partner
3. Insert additional rows OR DESIGNATION as required.

Schedule D: Declaration of the firm

Declaration form

This to declare that we(name of firm/Company) have not been blacklisted/fined or otherwise involved in any controversy relating to any of the valuation assignment which may create negative impression on the firm's capability. If any of such issue (not declared by us) comes to the notice of the Bank during the processing of empanelment or even after the empanelment, the bank may forfeit the deposit as well as cancel the empanelment.

We also understand that performance under this contract shall be reviewed on an annual basis and any discrepancy may cause cancelling of the empanelment without any recourse on our part.

Authorized Signature(s)

Stamp (as applicable)